New York State Department of Taxation and Finance Taxpayer Services Division Technical Services Bureau

TSB-M-88 (9)S Sales Tax May 2, 1988

<u>CITY OF NEWBURGH IMPOSES A 3% SALES</u> AND USE TAX ON UTILITIES AND UTILITY SERVICES

Effective June 1, 1988, a 3% sales and use tax is imposed by the City of Newburgh on sales of consumer utilities and utility services. For these purposes, the terms "consumer utilities" and "utility services" mean:

- gas, electricity, refrigeration and steam;
- telephony and telegraphy (except interstate and international telephony and telegraphy);
- gas, electric, refrigeration and steam service; and
- telephone and telegraph service (except interstate and international telephone and telegraph service).

Beginning June 1, 1988, all consumer utilities and utility services sold within the City of Newburgh, unless sold for resale, are subject to the tax imposed by the city except as provided in the transitional provisions discussed later.

The tax rates on sales of consumer utilities and utility services made within the city on or after June 1, 1988 are as follows:

Rate of Tax	Type of Sale
3%	Sales of gas, electricity and steam, and gas, electric and steam service for residential use.*
71/4%	Sales of gas, electricity, and steam, and gas, electric, and steam service for nonresidential use, and sales of refrigeration and refrigeration service for residential or nonresidential use.**
71/4%	Sales of telephony and telegraphy, and telephone and telegraph service (except interstate or international telephony and telegraphy, and interstate or international telephone and telegraph service).
NOTE:	The tax rate on all other sales of taxable goods and services in the City of Newburgh remains $6^{1/4}\%$.

- * Residential use means use in a structure or part of a structure that is maintained as a place of abode for a person (an individual) on other than a temporary or transient basis, excluding use in accommodations (such as hotel and motel rooms) that are subject to tax under section 1105(e) of the Tax Law.
- ** Nonresidential use means any use other than residential use as such term is defined above.

Vendors who sell consumer utilities and utility services subject to the tax imposed by the City of Newburgh must report these sales on Schedule B. For proper distribution of these sales tax revenues, the City of Newburgh is shown as a separate taxing jurisdiction, with separate reporting codes, on any Schedule B that is to be filed for a period that begins on or after June 1, 1988. Except as provided in the transitional provisions, taxable sales are to be reported on the City of Newburgh line of Schedule B as follows:

	<u>Rate</u>	<u>Code</u>
Schedule B, Part I - use to report all sales of: refrigeration and refrigeration services; telephony and telegraphy (except interstate or international); telephone and telegraph service (except interstate or international service); gas, electricity and steam, and gas, electric and steam services for	71 1/0/	2016
nonresidential use;	71/4%	3316
Schedule B, Part II - use to report all sales of: gas, electricity and steam, and gas, electric and steam		
services for residential use.	3 %	3317

Transitional Provisions

Telephone Bills

Charges for telephone service (other than charges for which a bill was previously issued) that appear on the first bill dated on or after June 1, 1988 are subject to the 7½% combined New York State and City of Newburgh tax unless the charges are for services which were furnished prior to the date of the bill. Any charges appearing on such bill which represent charges for services furnished prior to the date of the bill are subject only to the 6½% combined New York State and Orange County tax and are to be reported on the Orange County line on Part I of Schedule B.

Any charges for services which were furnished before the date of the first bill dated on or after June 1, 1988 will be subject to the 6½% rate, regardless of when such charges are actually billed, and are to be reported on the Orange County line on Part I of Schedule B.

Utility Bills Based on Residential Meter Readings

When a bill is issued based on a meter reading that occurred before June 1, 1988, the City of Newburgh tax does not apply to any charges based on such reading. Since New York State and Orange County do not impose a sales tax on residential energy services, no tax is to be charged on bills based on meter readings that occurred before that date.

TSB-M-88 (9)S Sales Tax May 2, 1988

When a meter is read on or after June 1, 1988, the 3% City of Newburgh tax applies to the total amount billed, based on such reading, if more than one-half the number of days included in the period covered by the bill fall after May 31, 1988. If more than one-half the number of days in the billing period do not fall after May 31, 1988, then no tax is to be collected on such charges.

Utility Bills Based on Nonresidential Meter Readings

When a bill is issued based on a meter reading that occurred before June 1, 1988, the City of Newburgh tax does not apply to any charges based on such reading. However the 6t% combined New York State and Orange County tax applies and the sales are to be reported on the Orange County line of Schedule B.

When a meter is read on or after June 1, 1988 the 7t% combined New York State and City of Newburgh tax applies to the total amount billed, based on such reading, if more than one-half the number of days included in the period covered by the bill fall after May 31, 1988. If more than one-half the number of days in the billing period do not fall after May 31, 1988, then only the 6t% combined Orange County and New York State tax applies and the sale is to be reported on the Orange County line of Schedule B.